## THE MINERAL INDUSTRY OF

## **AZERBAIJAN**

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For more than a century, Azerbaijan has been an oil and gas producer and has had a petroleum refining industry. For metals, it was a producer of alunite, alumina, aluminum, copper and molybdenum ore, iron ore, and lead and zinc ore. The country produced many industrial minerals, including bromine, clays, gypsum, iodine, limestone, marble, sand and gravel, decorative building stone, and precious and semiprecious stones.

The country's most significant reserves in terms of value are its oil reserves; a large number of major foreign firms are involved in projects to develop these reserves. Azerbaijan's other mineral resources include metals, such as aluminum in alunite, arsenic, chromium, cobalt, copper, iron, lead, manganese, mercury, molybdenum, tungsten, and zinc; industrial minerals, such as barite, refractory-grade dolomite,

gypsum, kaolin, limestone, pyrite, salt, decorative building stones, and zeolites; and semiprecious stones, such as amethyst, andalusite, and garnet.

Although no official estimates exist for the country's total hydrocarbon reserves, virtually every major oil company in the world has taken an active interest in Azerbaijan. The country is concerned that it not rely solely on oil development, but instead achieve balanced development, and for that reason it is making efforts to revive and develop its other industries, including its mining and metallurgical industries.

For more extensive coverage of the mineral industry of Azerbaijan, see the 1997 Minerals Yearbook, Volume III, Mineral Industries of Europe and Central Eurasia.

## ${\bf TABLE~1}$ AZERBAIJAN: PRODUCTION OF MINERAL COMMODITIES 1/ 2/

(Metric tons unless otherwise specified)

Commodity	1994	1995	1996	1997	1998 e/
Alumina e/	50,000 r/	27,000	5,000	12,900 3/	6,600 3/
Aluminium, primary	5,000 e/	3,700	812	4,717	3,400
Alunite	150,000 e/	150,000 e/	100,000 e/	50,000 3/	3/
Caustic soda	NA	NA	33,000	23,000	25,000
Cement	500,000	200,000	223,000	314,800 r/	201,000
Fertilizers	10,000	2,000	1,900	5,400	5,500
Iodine e/	4	4	4	5 3/	NA
Gypsum e/	2,000	2,000	2,000 r/	2,000 3/	3,300 3/
Iron ore, marketable e/	2,000	2,000	2,000	2,200 3/	6,600 3/
Natural gas thousand cubic m	eters 6,400,000	6,600,000	6,304,000	5,963,900	5,590,000
Petroleum, crude	9,600,000	9,200,000	9,100,300	9,027,000	11,420,000
Salt e/	3,000	2,500	2,500	2,500 3/	5,500 3/
Steel, crude	36,000	12,000	2,725	24,607	24,000
Rolled	30,000	10,000	2,000	16,400	16,000
Pipes	NA	NA	3,100	13,000	3,100
Sulfuric acid	NA	NA	31,000	52,500	53,000

e/ Estimated. r/ Revised. NA Not available.

 ${\bf TABLE~2}$  AZERBAIJAN: STRUCTURE OF THE MINERAL INDUSTRY IN 1998

(Metric tons unless otherwise specified)

Commodity	Major operating companies	Location of main facilities	Annual capacity e/	
Aluminum	Sumgait smelter	Sumgait	50,000	
Alumina	Gyandzha refinery	Ganca (formely Gyandzha)	450,000	
Alunite ore	Zaglik alunite mining directorate	Zaylik (formerly Zaglik) 600,000		
Cement	Karadag cement plant	Karadag	1,000,000 (total)	
	Tauz cement plant	Tovuz (formerly Tauz)		
Iodine and bromine	Baku, Karadag, Neftechala plants	Process oil well brines at plants in	NA	
		Baku, Karadag, and Neftechala		
Iron ore, marketable	Dashkesan Mining Directorate	Dashkesan region	1,000,000	
Petroleum and	State Oil Company	Production from 37 onshore deposits, including	300 million cubic meters of natural gas	
natural gas 1/	of Azerbaijan (SOCAR)	deposits on the Ashperon Peninsula and	2,000,000 metric tons of crude	
		in the Izhnekurin Valley	petroleum and gas condensate	
Do.		Production from 17 offshore fields with about 45% of	700 million cubic meters of natural gas	
		natural gas produced from the Bakhar field and 50%	8,000,000 metric tons of crude	
		of crude petroleum produced from the Gunashli field	petroleum and gas condensate	
Petroleum, refined	Baku refinery	Baku	12,000,000 /2	
Do.	Novo-Baku refinery	do.	10,000,000 /2	
Steel, pipes	Azerboru production aamalgamation	Sumgait	800,000 (crude steel),	
			700,000 (rolled steel),	
			540,000 (pipe, tubes)	

e/Estimated. NA Not available.

<sup>1/</sup> Table includes data and information available through January 13, 2000.

<sup>2/</sup> For some metals, including copper, gold, lead, molybdenum, silver, and zinc, and for a number of industrial minerals that the country had produced, there was insufficient information to derive production estimates or to determine if production had ceased.

<sup>3/</sup> Reported figure.

 $<sup>1/\,</sup>For\ a\ listing\ of\ production\ sharing\ agreements\ for\ oil\ and\ gas\ development,\ refer\ to\ the\ U.S.\ Department\ of\ Energy,\ Energy\ Information\ Administration's\ December\ 1998\ report\ on\ Azerbaijan\ accessed\ January\ 9,\ 2000,\ at\ URL\ http://www.eia.doe.gov/emeu/cabs/azerfull.html.$ 

<sup>2/</sup> Capacity for crude petroleum distillation.